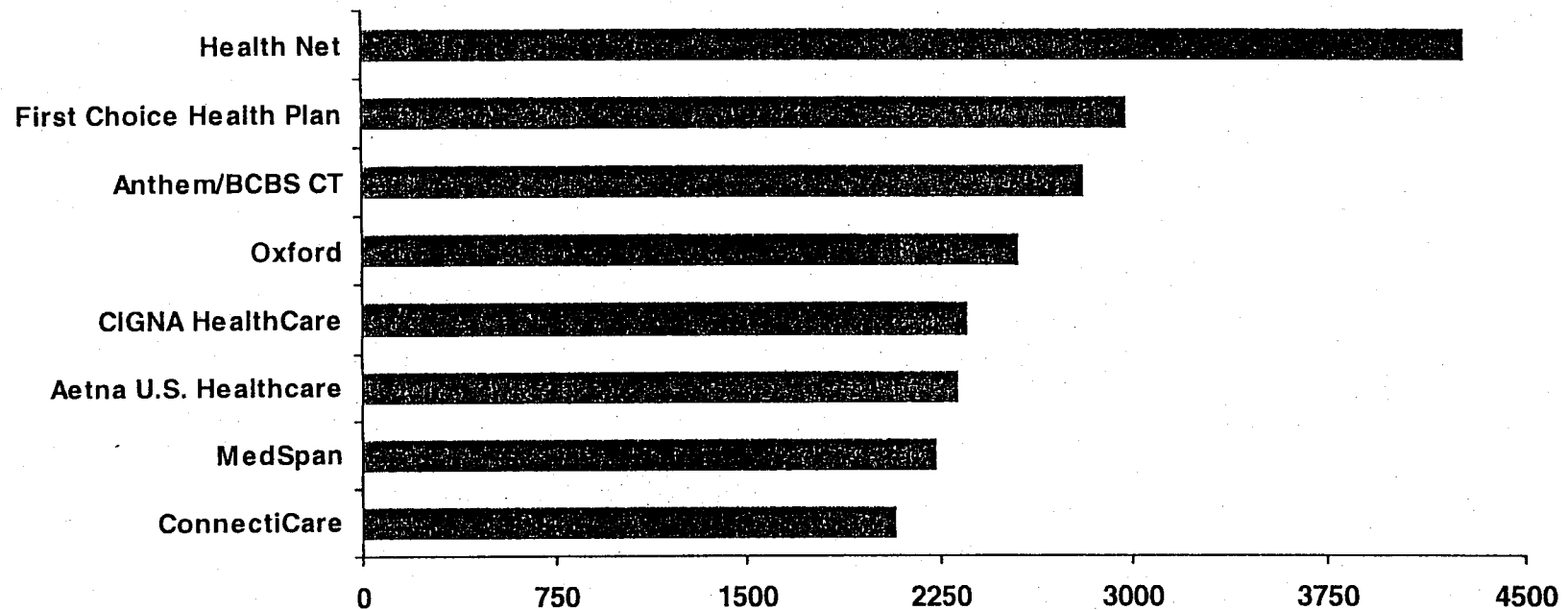


BCBS CT has the third largest network of PCP's in the state.

Health Plan Primary Care Physician Contracts (Contracts as of January, 2001)



OCC 002139

Source: InterStudy Competitive Edge: HMO Directory 11.2

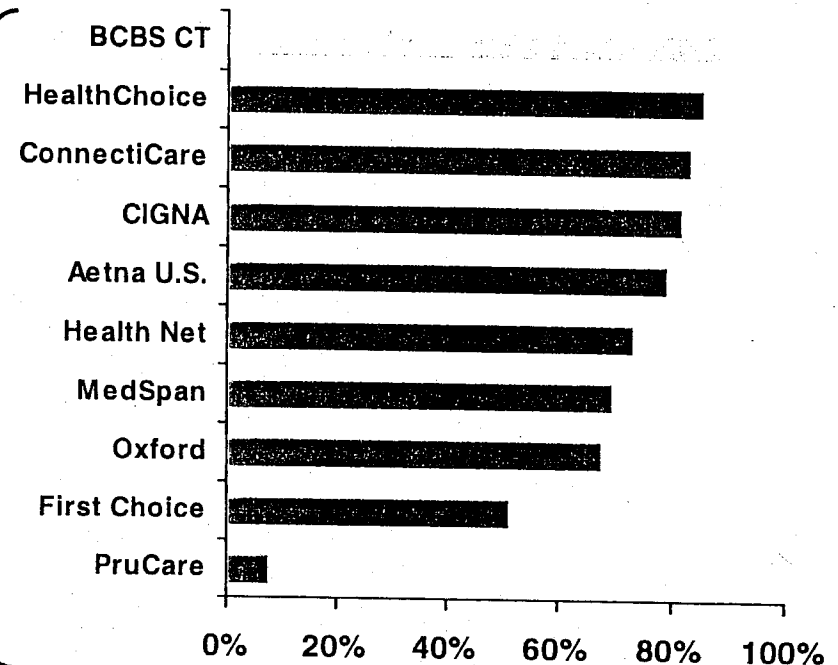
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The Connecticut Department of Insurance ranked BCBS of Connecticut first in 6 of 12 quality metrics against all Connecticut HMOs.

HMO Quality Measures & Rankings (2000)

| | |
|---|-----------|
| Adult Access to Care | #1 |
| Advising Smokers to Quit | #5 |
| Beta Blocker Treatment after a heart attack | #1 |
| Board Certified Primary Care Physicians | #7 |
| Board Certified Physician Specialists | #5 |
| Breast Cancer Screening | #1 |
| Cervical Cancer Screening | #2 |
| Cesarean Section Rate | #7 |
| Childhood Immunizations | #1 |
| Eye Exams for People with Diabetes | #1 |
| Prenatal Care in the 1st Trimester | #1 |
| Provider Turnover Rate | #5 |

Childhood Immunizations (% of Enrolled Children >2 years)



Source: Connecticut Department of Insurance, *A Comparison of Managed Health Care Organizations in Connecticut*, October 2000

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Anthem/BCBS CT has received recognition over the past year for quality service and demonstration of best business practices.

Recognitions for Anthem/BCBS of Connecticut (2001)

Awards

- Anthem recognized as one of Fortune Magazine's Ten Most Admired Health Care Companies
- Anthem honored at 2001 Best of Blue marketing and communications awards
- Anthem's BlueCare HMO awarded an "excellent" by the NCQA (1999)
 - Anthem performance acknowledged at "State of Managed Care Quality" event held by the NCQA in 2001

Innovative Products/Other Notable Points

- CAHPS Survey Shows Anthem Blue Cross and Blue Shield Medicaid Managed Care Members Satisfied With Providers, Health Plan Services
- Anthem recognized for improvement in HEDIS results by the NCQA.
 - "When you watch a health plan's HEDIS results increase from year to year, that plan has done a good job of developing a collaborative relationship with its physicians and members. Health plans that work with their physicians, hospitals and members can raise the bar dramatically on quality. We are proud to have established that kind of culture at Anthem." *Sam Nussbaum, MD, Executive Vice-President and Chief Medical Officer, Anthem BCBS*

Source: Health Plan website; NCQA website

We interviewed constituents of BC CT, as well as health plan executives, to assess the level of impact the conversion had across the different stakeholders.

Interviews – Anthem/BCBS of Connecticut

| | |
|-------------------------------|--|
| Health Plan Executives | <ul style="list-style-type: none"> • Marjorie Dorr, President, Anthem East • Joe D'Apolito, CFO, Anthem East • David Fusco, VP, Small Group • Jim Parker, VP, Maine Operations (former head of Anthem M&A) • Susan Keefe, VP of Planning and Change Management, Anthem East |
| Members | <ul style="list-style-type: none"> • Focus Group – 6 members |
| Providers | <ul style="list-style-type: none"> • Focus Group – 4 providers |
| Hospitals | <ul style="list-style-type: none"> • 3 Hospitals (Yale, Danbury, Middlesex) |
| Brokers | <ul style="list-style-type: none"> • Four brokers from the Connecticut area |
| Consumer Groups | <ul style="list-style-type: none"> • Tom Swan, Director of CT Citizens Action Group |
| Regulators | <ul style="list-style-type: none"> • John Haines, Lawyer in CT Attorney General's Office |
| Foundations | <ul style="list-style-type: none"> • Tom Swan, Chairman of Connecticut Health Advancement and Research Trust (also Director of CT Citizens Action Group) |
| Secondary Research | <ul style="list-style-type: none"> • Performance data for plans and major competitors (market share, admin. and medical costs ratios, etc) • Community statistics (% of uninsured, % of small businesses offering health benefits, etc.) |

Overall, focus group members are satisfied with the level of service they receive from BCBS CT.

Summary of Focus Group Findings

- Members* state that they are more than satisfied with:
 - the ease of making an appointment with their primary care physician,
 - the ease of making an appointment with specialists in the network,
 - the breadth of the provider network,
 - their ability to reach a customer service associate, and
 - their ability to resolve problems with Blue Cross Blue Shield of Connecticut
- Most members were aware of the merger of Blue Cross Blue Shield of Connecticut with Anthem
- Conceptually, members expressed concern over changing benefit and service levels with the idea of a merged insurance company
- However, members stated their level of satisfaction over the past six years has remained unchanged and that they did not notice any negative changes as a result of the merger

Interview Quotes

- *Member, BCBS CT:* On the whole BCBS is very, very good
- *Member, BCBS CT:* I stay with BCBS because I have had a positive experience
- *Member, BCBS CT:* As long as the service stays the same, I don't have a problem with the merger
- *Broker, CT:* Access and Quality – Anthem is currently at the top of the heap with virtually every area probably the only non-controversial health plan in CT; our Chevy now drives like a BMW
- *John Haines, Esq., Attorney General's Office, CT:* We have not seen a spike in the concerns or complaints that come into our office since the merger

**Members participating in the focus group had Blue Cross Blue Shield of Connecticut coverage for six or more years*

Source: Focus Group analysis and surveys

Focus group providers state that they are more than satisfied with the level of service they receive as well as with BCBS CT's rates.

Summary of Focus Group Findings

- Providers* report satisfaction with Blue Cross Blue Shield of Connecticut's:
 - rate negotiation process,
 - rates when compared with other managed care plans,
 - ability to resolve claims payment issues,
 - speed when responding to verification requests, and
 - referral and pre-authorization process
- All providers were aware of the merger between Blue Cross Blue Shield of Connecticut and Anthem
- Conceptually, providers expressed concern over changing reimbursement and service levels with the idea of a merged health insurance company
- However, providers have not noticed a change in the level of service they receive from BCBS of CT
- Some providers noticed that certain fees had decreased in the past few years, but providers, overall, report being satisfied with their rates

Interview Quotes

- *Tucker Leary, Director of Yale PHO, CT:* Before the merger, service was not good. It was not better than competitors. After the merger, they have improved and competition has faltered
- *Provider, CT:* Anthem tightened up the ship, but the fees are reasonable
- *Marjorie Dorr, President, Anthem East:* We pride ourselves on increasing provider satisfaction
- *Provider, CT:* Anthem is in the top half of all insurers I deal with
- *Provider, CT:* I am very pleased with BCBS, they are nice to deal with and one of my favorite plans

**Providers participating in the focus group had contracted with Blue Cross Blue Shield of Connecticut for five or more years*

Source: Focus Group analysis and surveys

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